



General Assembly

***Substitute Bill No. 5183***

*February Session, 2000*

***An Act Concerning The Establishment Of The University Of Connecticut Health Center Review Committee And Funding For The University Of Connecticut Health Center.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (a) The Board of Trustees of The University of Connecticut  
2       shall prepare quarterly reports, pursuant to subsection (b) of this  
3       section, for The University of Connecticut Health Center.

4       (b) Each report shall contain the following information for the  
5       previous quarter: (1) Financial results for the health center as a whole  
6       and for its component parts, including an income statement, balance  
7       sheet and cash flow statistics and a financial forecast comparing such  
8       results to the budget; (2) restructuring, cost cutting and revenue  
9       enhancement information, including a description of actions taken and  
10      timetables, progress made, financial and other impact, and information  
11      on measurement and accountability; and (3) operational results,  
12      including performance for all units of the health center.

13      (c) The reports required under this section shall be submitted to The  
14      University of Connecticut Health Center Review Committee in  
15      accordance with the following schedule by: (1) August fifteenth for the  
16      quarter ending June 30, 2000, (2) November fifteenth for the quarter  
17      ending September 30, 2000, (3) February fifteenth for the quarter  
18      ending December 31, 2000, and (4) May fifteenth for the quarter ending

19 March 30, 2001.

20 Sec. 2. (a) There is created The University of Connecticut Health  
21 Center Review Committee. The review committee shall be composed  
22 of the chairpersons and ranking members of the joint standing  
23 committees of the General Assembly having cognizance of matters  
24 relating to public health, education and appropriations and the  
25 budgets of state agencies, or their designees from their respective  
26 committees of cognizance.

27 (b) The speaker of the House of Representatives and the president  
28 pro tempore of the Senate shall appoint two members of the review  
29 committee to serve as chairpersons. The chairpersons may appoint ex-  
30 officio members to the review committee. The review committee shall  
31 hold its first meeting on or before August 1, 2000. The contract  
32 required under section 3 of this act shall provide for such staff as is  
33 necessary for the performance of the functions and duties of the review  
34 committee.

35 (c) Notwithstanding any provision of the general statutes, the  
36 authority of the review committee during its term shall include, but  
37 not be limited to, the following: (1) To review financial and clinical  
38 data of The University of Connecticut Health Center, including each of  
39 its component parts; (2) to review and monitor the implementation of  
40 all restructuring, cost efficiencies and revenue enhancement plans for  
41 the health center; (3) to review operational results, including  
42 performance for all units of the health center; (4) to evaluate the future  
43 role of the John Dempsey Hospital, The University of Connecticut  
44 schools of medicine and dental medicine, and the health center's  
45 delivery of the correctional managed care program; (5) to review  
46 student tuition and fee levels for The University of Connecticut schools  
47 of medicine and dental medicine; (6) to review and monitor the health  
48 center administrative, faculty, physician and professional salaries and  
49 contracts; (7) to make recommendations concerning the establishment  
50 of an endowment fund; (8) to review the performance audit to be  
51 conducted pursuant to section 3 of this act; (9) to make

52 recommendations concerning quarterly and annual reporting  
53 requirements for the health center, including each of its component  
54 parts; (10) to suggest future ongoing reporting requirements for public  
55 health and research initiatives conducted by the health center; (11) to  
56 make recommendations concerning the establishment of a board of  
57 trustees for the John Dempsey Hospital that would report to the Board  
58 of Trustees of The University of Connecticut; and (12) to make  
59 recommendations concerning whether public act 92-154 should be  
60 amended.

61 (d) Not later than December 1, 2000, and July 1, 2001, the review  
62 committee shall submit interim reports to the General Assembly and  
63 the Governor, and not later than October 1, 2001, shall submit a final  
64 report to the General Assembly and the Governor, in accordance with  
65 the provisions of section 11-4a of the general statutes, concerning its  
66 review of the operations of The University of Connecticut Health  
67 Center. The review committee shall include in such reports (1) a  
68 review of the findings and recommendations made in the performance  
69 audit conducted pursuant to section 3 of this act, and (2) the fiscal  
70 implications of any recommendation contained in such reports. The  
71 review committee shall terminate upon the submission of the final  
72 report required under this subsection.

73 (e) Nothing in this section shall be construed to alter the operating  
74 responsibilities of the Board of Trustees of The University of  
75 Connecticut under chapter 185b of the general statutes.

76 Sec. 3. (a) The Auditors of Public Accounts, in consultation with the  
77 Department of Higher Education, shall issue a request for proposals  
78 for an independent performance audit of The University of  
79 Connecticut Health Center, including each of its component parts. The  
80 Auditors of Public Accounts shall enter into a contract for a  
81 performance audit that shall include, but not be limited to:

82 (1) A review of the quarterly reports submitted to The University of  
83 Connecticut Health Center Review Committee pursuant to section 1 of

84 this act. Such review shall also include financial statements that have a  
85 clear allocation of all health center income and expenses to each  
86 operating function of the health center for the 2000 fiscal year of the  
87 health center and a comparison with planned and actual results for the  
88 2001 fiscal year of the health center;

89 (2) An examination of health center governance issues relating to  
90 management responsibilities, avoidance of conflict of interests and  
91 fiscal management practices, and a recommendation concerning the  
92 establishment of a board of trustees for the John Dempsey Hospital  
93 that would report to the Board of Trustees of The University of  
94 Connecticut;

95 (3) Program audits that include a systematic assessment of the  
96 health center's core competencies and their relationship to (A)  
97 enhancing the quality of The University of Connecticut schools of  
98 medicine and dental medicine, and (B) the health center's stated  
99 objectives and the implementation of the strategic long-term plan  
100 developed pursuant to section 5 of this act;

101 (4) Economy and efficiency audits concerning the use of health  
102 center resources and recommendations for identifying more effective  
103 means to allocate health center resources so as to achieve cost  
104 efficiencies in the delivery of care;

105 (5) (A) An assessment of health center: Compliance with applicable  
106 laws and regulations; management oversight; and faculty,  
107 administrative and professional compensation policies, including a  
108 comparison to other comparable entities; and (B) recommendations for  
109 ways in which the health center can reduce costs, improve  
110 management and make services more effective and efficient;

111 (6) The identification of methods to maximize federal and third  
112 party funding;

113 (7) Information concerning the average daily census by specialty at  
114 the John Dempsey Hospital and recommendations on how to increase

115 such average daily census;

116 (8) An audit of the appropriate assignment and use by the health  
117 center of federal cost recovery funds and residency programs;

118 (9) A review of contractual obligations of the health center;

119 (10) Information and recommendations concerning economic  
120 development potential associated with biomedical and biotechnology  
121 research; and

122 (11) The identification of significant issues that warrant further  
123 audit but are not directly related to the objectives of the performance  
124 audit.

125 (b) The Board of Trustees of The University of Connecticut shall  
126 submit a management response from responsible officials to the  
127 auditor concerning each of the recommendations contained in the  
128 performance audit conducted pursuant to subsection (a) of this section.

129 (c) Performance audit interim reports shall be submitted to The  
130 University of Connecticut Health Center Review Committee in a  
131 timely manner for use by the review committee in preparing the  
132 reports required under subsection (d) of section 2 of this act.

133 (d) The performance audit conducted pursuant to subsection (a) of  
134 this section shall be in addition to any financial or operational audit  
135 required under any provision of the general statutes or any public or  
136 special act.

137 Sec. 4. Not later than October 1, 2000, and quarterly thereafter  
138 during the term of The University of Connecticut Health Center  
139 Review Committee, the chief executive officer of The University of  
140 Connecticut Health Center shall submit a report to The University of  
141 Connecticut Health Center Review Committee concerning the planned  
142 and actual use of funds appropriated to The University of Connecticut  
143 Health Center pursuant to section 7 of this act.

144       Sec. 5. The Board of Trustees of The University of Connecticut shall  
145       develop a strategic long-term plan for all units of The University of  
146       Connecticut Health Center. The plan shall include educational,  
147       research and clinical programs. The board of trustees shall submit such  
148       plan, in accordance with section 11-4a of the general statutes, to the  
149       joint standing committees of the General Assembly having cognizance  
150       of matters relating to education, public health and appropriations and  
151       the budgets of state agencies by August 15, 2000.

152       Sec. 6. The sum of five hundred thousand dollars appropriated to  
153       the Office of Health Care Access for distressed hospital evaluation in  
154       section 43 of special act 99-10 shall be transferred to the Auditors of  
155       Public Accounts for the purpose of entering into a contract for the  
156       performance audit of The University of Connecticut Health Center  
157       pursuant to section 3 of this act. Such funds shall not lapse on June 30,  
158       2000, and shall be available for expenditure for such purpose during  
159       the fiscal year ending June 30, 2001.

160       Sec. 7. The sum of sixteen million nine hundred thousand dollars is  
161       appropriated to The University of Connecticut Health Center, from the  
162       General Fund, for the fiscal year ending June 30, 2000. Such funds shall  
163       not lapse on June 30, 2000, and shall be available for expenditure by  
164       The University of Connecticut Health Center during the fiscal year  
165       ending June 30, 2001.

166       Sec. 8. The sum of three million one hundred thousand dollars is  
167       appropriated to The University of Connecticut Health Center, from the  
168       General Fund, for the fiscal year ending June 30, 2000, for the purpose  
169       of The University of Connecticut Health Center research. Such funds  
170       shall not lapse on June 30, 2000, and shall be available for expenditure  
171       for such purpose during the fiscal year ending June 30, 2001.

172       Sec. 9. This act shall take effect from its passage.

**PH      Committee Vote:**   Yea   23   Nay   2   JFS

**ED**    **Committee Vote:**   Yea   24    Nay   5    JF